

001189

REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

1. CERTIFICATE NUMBER
(FOR AUDITOR'S USE ONLY)336
05/27TO:
CITY ATTORNEY2. FROM (ORIGINATING DEPARTMENT):
CITY PLANNING & COMMUNITY INVESTMENT3. DATE:
May 8, 20084. SUBJECT:
MODIFICATION OF NORTH PARK BUSINESS IMPROVEMENT DISTRICT

5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.)

Meredith Dibden Brown x66485 MS56-D

6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.)

Scott Kessler x66405 MS56-D

7. CHECK BOX IF REPORT TO
COUNCIL IS ATTACHED ☐

8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	10553		
DEPT.	10553		
ORGANIZATION			
OBJECT ACCOUNT			
JOB ORDER			
C.I.P. NUMBER			
AMOUNT			

9. ADDITIONAL INFORMATION / ESTIMATED COST:

Approximately \$50,000 of additional assessments will be collected annually from businesses as a result of the change in assessment methodology and the expansion of the BID boundaries.

10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	SCOTT KESSLER	5-2-08	8	DEPUTY CHIEF	WILLIAM ANDERSON	5/12/08
2	DEPARTMENT DIRECTOR	WILLIAM ANDERSON	5/12/08	9	COO	JAY GOLDSTONE	5/13/08
3	ENVIRONMENTAL REVIEW	EAS REVIEWED	5/12/08	10	CITY ATTORNEY	KIMBERLY K. KAELEN	
4	LIAISON OFFICE	ED PLANK	5-12-08	11	ORIGINATING DEPARTMENT	MEREDITH DIBDEN BROWN	5/13/2008
5	FINANCIAL MANAGEMENT	AUTHORIZED SIGNER	5-13-08	DOCKET COORD: <input checked="" type="checkbox"/> COUNCIL LIAISON: <input checked="" type="checkbox"/> COUNCIL PRESIDENT <input checked="" type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION <input checked="" type="checkbox"/> REFER TO: COUNCIL DATE: 5/27/08			
6	AUDITORS	FERNANDA FIGUEROA	5/13/08				
7							

11. PREPARATION OF: ☒ RESOLUTION(S) ☒ ORDINANCE(S) ☐ AGREEMENT(S) ☐ DEED(S)

See Attachment

11A. STAFF RECOMMENDATIONS:

Adopt the Resolutions and Introduce the Ordinance

12. SPECIAL CONDITIONS:

COUNCIL DISTRICT(S): 3

COMMUNITY AREA(S): North Park

ENVIRONMENTAL IMPACT: This activity is not a "project" and is therefore not subject to CEQA pursuant to State Guidelines Section 15060 (c) (3).

HOUSING IMPACT: None.

OTHER ISSUES: Pursuant to CA Streets & Highways Code Section 36500 et. seq and CA Government Code Sections 54954.6 and 6063:

- (1) Clerk to publish display ad of at least one-eighth page in a newspaper of general circulation once a week for three weeks giving notice of the public meeting and the public hearing and the proposed ordinance changes.
- (2) CP&CI staff to mail copy of Resolution of Intention to affected businesses within seven days of the adoption of the resolution.
- (3) We request June 24, 2008 as the noticed public meeting date which may be held no earlier than 10 days after the mailing and first publishing of the display ad and between 20 and 30 days after the adoption of the resolution.
- (4) We request July 28, 2008 as the noticed hearing date which may be held no earlier than 45 days after the first publishing of the display ad and mailing of the resolution.

001190

At the first Council Date (Council meeting of May 27, 2008):

1. Declare intent to modify the North Park Business Improvement District (and to levy assessments and to modify the North Park Business Improvement District FY2009 Budget Report), set June 24, 2008 as the noticed public meeting date, and set July 28, 2008 as the noticed public hearing date to allow for public testimony regarding the proposed modifications and to hear all protests.

At the second Council Date (Council meeting of June 24, 2008)

2. Hold public meeting and permit testimony in support of or in opposition to the modification of the District, the levying of assessments on businesses, and the modification to the North Park Business Improvement District FY2009 Budget Report.

At the third Council date (Council meeting of July 28 or July 29, 2008)

3. Hold the public hearing and permit testimony in support of or in opposition to the modification of the District, the levying of assessments on businesses, and the modification to the North Park Business Improvement District FY2009 Budget Report.
4. Introduce the Ordinance modifying the North Park Business Improvement District with an effective date of November 1, 2008. (A second reading of the Ordinance is required).
5. Approve/Confirm the modified North Park Business Improvement District FY2009 Budget Report to take effect November 1, 2008

001190

EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED: REPORT NO:
 ATTENTION: City Council
 ORIGINATING DEPARTMENT: City Planning & Community Investment
 SUBJECT: Modification of the North Park Business Improvement District
 COUNCIL DISTRICT(S): 3
 CONTACT/PHONE NUMBER: Meredith Dibden Brown 23-66485/Scott Kessler (236-6421)

REQUESTED ACTION(S):

At the first Council Date (Council meeting of May 27, 2008):

1. Declare intent to modify the North Park Business Improvement District (and to levy assessments and to modify the North Park Business Improvement District FY2009 Budget Report), set June 24, 2008 as the noticed public meeting date, and set July 28, 2008 as the noticed public hearing date to allow for public testimony regarding the proposed modifications and to hear all protests.

At the second Council Date (Council meeting of June 24, 2008)

2. Hold public meeting and permit testimony in support of or in opposition to the modification of the District, the levying of assessments on businesses, and the modification to the North Park Business Improvement District FY2009 Budget Report.

At the third Council date (Council meeting of July 28 or 29, 2008)

3. Hold the public hearing and permit testimony in support of or in opposition to the modification of the District, the levying of assessments on businesses, and the modification to the North Park Business Improvement District FY2009 Budget Report.
4. Introduce the Ordinance modifying the North Park Business Improvement District with an effective date of November 1, 2008. (A second reading of the Ordinance is required).
5. Approve/Confirm the modified North Park Business Improvement District FY2009 Budget Report to take effect November 1, 2008

STAFF RECOMMENDATION: Approve the requested actions.

EXECUTIVE SUMMARY: An effort to modify the North Park Business Improvement District (NPBID) has been ongoing for a number of months under the auspices of the North Park Organization of Businesses (North Park Main Street). The proposed modifications include changing the assessment methodology within the existing NPBID boundaries and expanding the boundaries to include adjacent commercial areas within the North Park community using the proposed assessment methodology. The purpose of the modification is to increase the amount of resources available from within the existing BID boundaries and to build on the synergy between the commercial areas along University Avenue and 30th Street to better benefit the businesses in the larger commercial area.

The proposed assessment methodology would create four categories of business based on the number of employees and the assessments would range from \$125 up to \$500 annually. The expansion of NPBID would add businesses located along: 2004-2749 University Avenue; 3300-3799 and 4000-4199 30th Street; 2900-3049 Upas Street; 2900-3099 Dwight Street; and 2900-3099 Polk Avenue.

A Business Improvement District (BID), as authorized by California law, is a government-designated assessment area formed with the support of businesses to improve their business conditions. BID assessments are collected at the same time as the City's Business Tax but are accounted for separately by the City. All BID assessments are returned to the District from which they were collected to be used

for improvement programs operated by the business membership and shaped by the needs of the district's businesses.

The City Council has adopted Council Policy 900-07 on Business Improvement Districts to clarify the process by which BIDs may be established or modified. The policy states that proposed increases in assessment levels within an existing BID should be approved by at least two-thirds of the board of directors and that a proposed expansion of BID boundaries should be supported by 20% of eligible businesses within the expansion area as demonstrated by a petition.

In January 2008 City Staff received notice of board approval to increase assessments in the NPBID. In February 2008, City staff received a number of petitions in support of expanding the NPBID and verified that the 20% threshold had been met. In accordance with Council Policy 900-07, City staff then conducted mailed ballot procedures to determine the level of support among the affected businesses in the existing District for increasing the assessments and among the affected businesses in the expansion area proposed to be included in the NPBID.

Council Policy 900-07 also provides that if a majority of those responding, when measured both numerically and when weighted by the amount of the proposed assessment, support the modifications then City Council may proceed with the public hearing process to amend the BID ordinance. A majority of the responding businesses in the existing NPBID supported the change in assessment methodology (numerically 68.8% / weighted 68.6%) and a majority of responding businesses within the proposed expansion area supported the expansion and the proposed levying of assessments (numerically 55.2% / weighted 56.9%). Pursuant to the Parking and Business Improvement Area Law of 1989 and the Ralph M. Brown Act a multi-step hearing process at Council is required and certain mailing and noticing requirements must occur.

FISCAL CONSIDERATIONS: Approximately \$50,000 of additional annual assessments will be collected from the existing businesses as well as those businesses in the expanded area. It is anticipated that assessments would be levied and collected starting November 1, 2008 once approved by Council.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: The NPBID was established by Ordinance No.O-16481, adopted on July 29, 1985.

EQUAL OPPORTUNITY CONTRACTING

This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2702) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: North Park Main Street mailed letters and sent e-mails to BID businesses to notify them when the BID modifications were discussed at Board meetings and business mixers. All businesses holding a business tax certificate also received a ballot and information concerning the change in assessment methodology or the proposed expansion and levying of assessments.

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable): Businesses within the BID are the key stakeholders of this action and would be impacted by the levying of the annual assessment in the amount of \$123 to \$500 per year depending on the location of the business and the business category.


Scott Kessler

Originating Department


William Anderson

Deputy Chief/Chief Operating Officer

001193

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO DECLARING ITS INTENT TO AMEND ORDINANCE NUMBER O-16841 TO MODIFY THE NORTH PARK BUSINESS IMPROVEMENT DISTRICT BY CHANGING THE BASIS OF ASSESSMENT AND EXPANDING THE BOUNDARIES OF THE DISTRICT; TO LEVY ASSESSMENTS; TO MODIFY THE NORTH PARK BUSINESS IMPROVEMENT DISTRICT FY2009 BUDGET REPORT; AND TO SET PUBLIC HEARINGS THEREFOR.

WHEREAS, on July 29, 1985, the Council of the City of San Diego adopted Ordinance O-16841 which formed a parking and business improvement area known as "North Park Business Improvement District" [District] pursuant to the Parking and Business Improvement Area Law of 1979 (Streets and Highways Code Section 36500, *et seq.*); and

WHEREAS, in January 2008, pursuant to Council Policy 900-17, City staff received notice that the District advisory board was in support of modifying the basis of assessment; and

WHEREAS, in February 2008, pursuant to Council Policy 900-17, City staff received petitions and verified that at least 20% of eligible businesses were in support of expanding the District with the modified basis of assessment; and

WHEREAS, City staff conducted mailed ballot procedures and determined that a majority of those responding businesses, when measured both numerically and when weighted by the amount of the proposed assessment, support the modifications to the District pursuant to Council Policy 900-17; and

WHEREAS, on May 6, 2008, Council adopted Resolution R-303660 which approved the District's budget report for FY2009; and

001194

WHEREAS, on May 27, 2008, Council adopted Resolution R- _____ which confirmed the District's budget report for FY2009; NOW, THEREFORE,

BE IT RESOLVED by the Council of the City of San Diego, that it hereby declares its intent to modify the basis of assessment and expand the boundaries of the parking and business improvement area known as "North Park Business Improvement District" [District] pursuant to the Parking and Business Improvement Area Law of 1979 (Streets and Highways Code section 36500, *et seq.*).

BE IT FURTHER RESOLVED that the area to be included in the District includes the North Park community area within the following address ranges:

BUSINESS IMPROVEMENT

<u>Street Name</u>	<u>Address Range</u>
University Avenue	2004 - 3299
30 th Street	3300 - 4199
Utah Street	3800 – 3999
Granada Street	3800 – 3899
Kansas Street	3900 – 3999
29 th Street	3800 – 3899
Ray Street	3800 – 3899
Ohio Street	3900 – 3999
Grim Street	3800 – 3899
Illinois Street	3900 – 3999
31 st Street	3800 – 3899
Iowa Street	3900 – 3999
Herman Street	3800 – 3899
32 nd Street	3800 – 3999
Bancroft Street	3800 – 3999
Boundary Street	3800 – 3999

North Park Way	2850 – 3299
Lincoln Avenue	2750 – 3299
Upas Street	2900 – 3049
Dwight Street	2900 – 3099
Polk Avenue	2900 – 3099

A map depicting the District including the proposed expanded area is attached hereto as Exhibit A and incorporated herein by reference.

BE IT FURTHER RESOLVED that the proposed assessments to all businesses in the District will be based on the number of employees per business, and zones will no longer exist in the District; that the categories of benefit are:

CATEGORY A includes those businesses with 0 to 2 employees.

CATEGORY B includes those businesses with 3 to 12 employees.

CATEGORY C includes those businesses with 13 to 25 employees.

CATEGORY D includes those businesses with 26 or more employees.

BE IT FURTHER RESOLVED that the assessments to be imposed for those District businesses by category of benefit are as follows:

CATEGORY A	\$125.00
CATEGORY B	\$150.00
CATEGORY C	\$250.00
CATEGORY D	\$500.00

The above-described charge is an annual charge and shall be levied, collected and enforced in the same manner, at the same time, and with the same penalties and interest as in the case of the general business tax (license). For those businesses registered (licensed) for other than an annual period, the City Treasurer shall determine the charge to be levied upon issuance

of the City business tax certificate (license). The total charge collected from any business under the provisions of the ordinance shall not exceed \$500 per annum.

BE IT FURTHER RESOLVED that the proposed businesses exempt from the assessment will be: 1) Home Based Businesses; 2) Salon Booth Rentals; 3) Hotels and Motels; and 4) Apartment Buildings.

BE IT FURTHER RESOLVED that new businesses in the proposed District will not be exempted from the assessment, unless otherwise expressly exempted herein.

BE IT FURTHER RESOLVED that the general types of improvements and activities to be funded by the annual levy of assessments which benefit businesses in the District are: 1) the acquisition, construction, installation or maintenance of any tangible property, including but not limited to parking facilities, benches, trash receptacles, street lighting, decorations, parks, fountains; 2) promotion of public events which benefit businesses in the area and which take place on or in public places within the area; 3) furnishing of music in any public place in the area; 4) promotion of tourism in the area; and 5) and the general promotion of business activities in the area. Specific services and programs are listed in the North Park Business Improvement District Revised FY09 Budget Report attached as Exhibit B, in addition to any programs as approved by City Council from time to time.

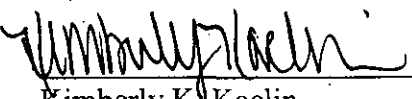
BE IT FURTHER RESOLVED that notice is hereby given that June 24, 2008, at the hour of 10:00 a.m., in the Council Chambers of the City Administration Building, 202 C Street, San Diego, California, is fixed as the time and place when and where any and all persons having any desire to be heard may appear and state their views for or against the levying of assessments on businesses; the modification of the method and basis of assessments; the expansion of the District, and the modification of the District's FY2009 budget report.

001197

BE IT FURTHER RESOLVED that notice is hereby given that July 28, 2008, at the hour of 2:00 p.m., in the Council Chambers of the City Administration Building, 202 C Street, San Diego, California, is fixed as the time and place when and where any and all persons having any desire to be heard may appear and state their views for or against the levying of assessments on businesses; the modification of the method and basis of assessments; the expansion of the District, and the modification of the District's FY2009 budget report.

BE IT FURTHER RESOLVED the City Clerk is hereby directed to give notice of the hearings by both publication and mail pursuant to Sections 36523 and 36523.5 of the Streets and Highways Code.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Kimberly K. Kaelin
Deputy City Attorney

KKK:bas
05/14/08
Or.Dept: CP&CI
R-2008-1069
MMS #6276

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

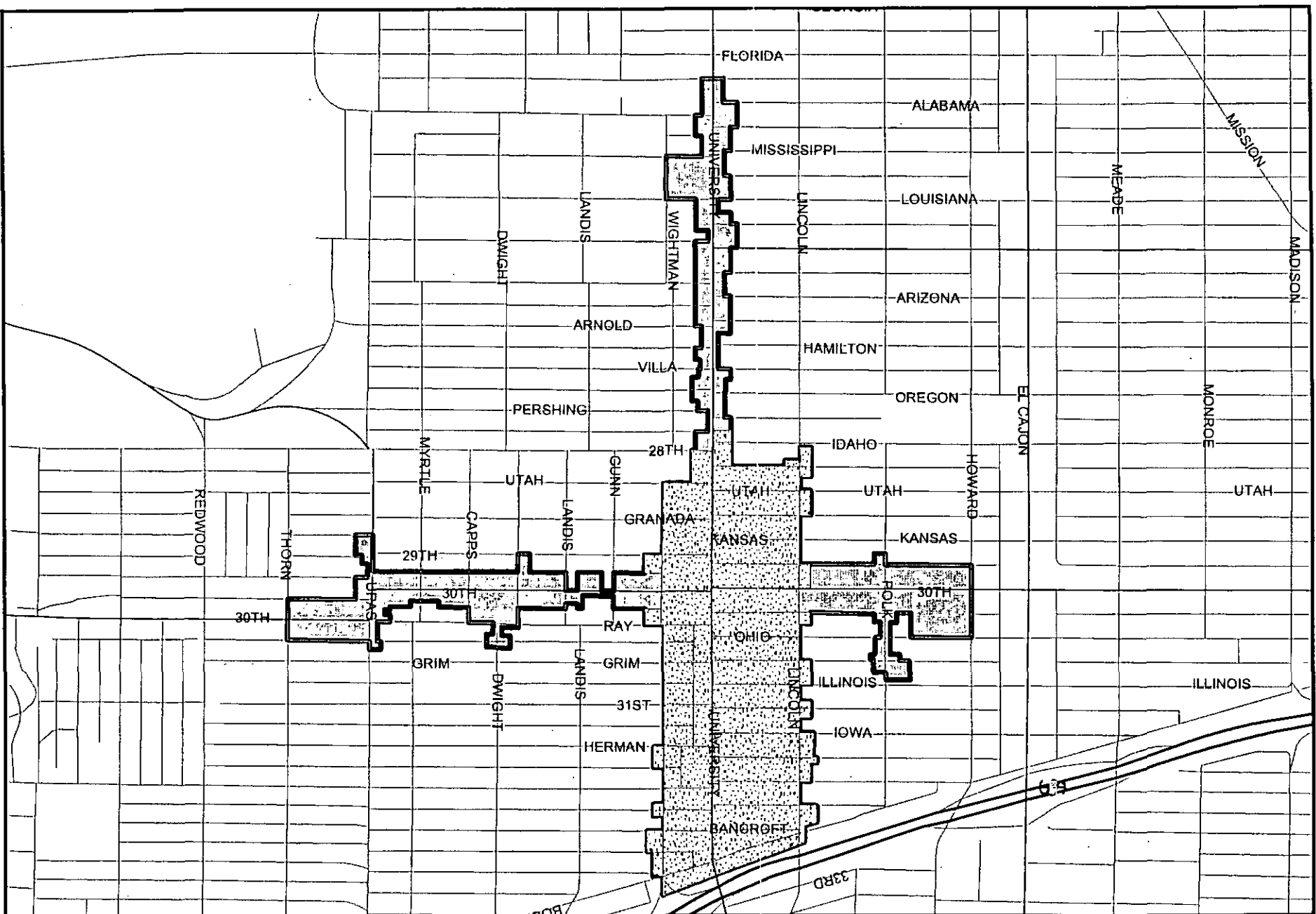
JERRY SANDERS, Mayor

001198

EXHIBIT A

ILLUSTRATIVE MAP OF NORTH PARK BID AND EXPANSION AREA

NORTH PARK BID MODIFICATION



CITY OF SAN DIEGO
CITY PLANNING &
CONSULTANT INVESTMENT

LEGEND

North Park BID Area
Outlines (Illustrative)

२

1 inch equals 1.023 mm

001200

EXHIBIT B

REVISED FY2009 BUDGET REPORT

North Park Business Improvement District
Fund 10553

Advisory

North Park Organization of Businesses, Inc.
3076 University Avenue
San Diego CA, 92104
619-294-2501

Available Funds FY2009

Estimated Outstanding Operating Advance (incl. SBEP) as of 6/30/2008:	\$55,500
Estimated Unexpended Assessments from prior fiscal year to be carried	\$1,500
Estimated Assessments to be collected in the Fiscal Year:	<u>\$20,500</u>
Total Appropriation:	\$77,500

Proposed Activities/Expenditures FY2009

Personnel (Salaries/Wages/Fringe Benefits)	\$38,950
Office/Operation Costs (Supplies, Rent, Ins., Utilities, Equip. Purchases)	\$13,000
Publications/Printing (Brochures, Newsletters, Production)	\$3,000
Special Events	\$800
Design Improvements (Maintenance, Beautification, Clearing)	\$11,000
Consulting Services	\$10,000
Other (contingency)	<u>\$750</u>
Total Budgeted Expenditures:	\$77,500

Estimated Contribution from Association Activities:	\$1,000
---	----------------

Association President: Patrick Edwards
Association BID Rep 1: Jay Turner
Association BID Rep 2: Elizabeth Studebaker



North Park Main Street

A Service of the North Park Organization of Businesses, Inc.

3076 University Avenue

San Diego, CA 92104

Phone: (619) 294-2501 Fax: (619) 294-2502

npbid@northparkmainstreet.com www.northparkmainstreet.com

001201

North Park Main Street BID Activities - FY 2009

1. Host monthly Board of Directors Meetings.
2. Host monthly Promotions Committee, Economic Restructuring, and Design Committee Meetings.
3. Develop Community Profile, and work on Business Recruitment Plan with assistance from Economic Restructuring Committee.
4. Expand the BID to increase geographic area and increase ability to assist with small business in the region. *New proposed boundaries will include University Avenue from Boundary Street to Georgia Street and 30th Street from Herman Street to Thorn Street.*
5. Increase assessments of businesses in the current BID to match surrounding communities and increase ability to provide quality service to the commercial district.
6. Work with the Redevelopment Agency on Project Area, including Market & Demographic Information, Ordinance Review, Business and Technical Assistance, the Parking Garage, the North Park Theater, Historic Buildings Inventory, and other public projects.
7. Market the City Storefront Improvement Program to new and interested businesses.
8. Repair and replace deteriorated sidewalks, along University Avenue and side streets from Boundary Street to 28th Street, as possible.
9. Redesign, increase functionality of NPMS Website.
10. Organize and host 12th annual Festival of the Arts event on the 3rd Sunday in May from 10am-6pm.
11. Organize a "Taste of North Park" event.
12. Assist with planning of, and attend monthly Ray at Night event on the 2nd Saturday from 6:00pm-10:00pm.
13. Host the North Park Farmers Market every Thursday evening from 3:00pm to 7:00pm.
14. Coordinate community activities including cleanups, tours by elected officials, merchant mixers, informational meetings with new businesses, and historic walking tours.
15. Design and hang new banners, continue banner program, for the North Park BID each 5-6 months.
16. Host monthly "walk about" tours of the Business District with residents, businesses, and tourists.
17. Write and publish quarterly newsletter, the North Park Way.
18. Regular correspondence, assistance with businesses and property owners.
19. Participation in North Park committees including: Western Division of the SD Police Department, City Attorney's Office, Greater North Park Community Planning Committee (and Urban Design/Project Review Subcommittee and Public Facilities Subcommittee), North Park Redevelopment Project Area Committee, BID Council (and Legislative Committee), North Park Parking Garage Art Committee, North Park Parking Management Working Group, and North Park Community Association (and History Subcommittee – soon to be North Park Historical Society)
20. Meet each month with local BIDs (Hillcrest, Adams Ave, El Cajon Blvd, and City Heights) to strategize on collaborative projects and learn from colleagues.
21. Support local BIDs and BID Council with event planning and execution.
22. Work on Historic Building Registry for North Park.
23. Support fund grant writing.
24. Continued streetscape improvements.
25. Technical assistance with small businesses.
26. Developing community identify and branding.
27. Outreach and engagement of activities with new members.